

Susan A. DeVito

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DELMARVA POWER & LIGHT COMPANY
TESTIMONY OF SUSAN A. DEVITO
BEFORE THE DELAWARE PUBLIC SERVICE COMMISSION
CONCERNING THE NOVEMBER 2013 THROUGH OCTOBER 2014
GAS COST RATE
PSC DOCKET NO. 13-__F

1. **Q: State your name, position, and business address.**

A: My name is Susan A. Devito, CPA, Manager of Regulatory Compliance Pricing, for PHI Service Company which is a subsidiary of PEPCO Holdings, Inc. the parent company of Delmarva Power and Light Company (Delmarva or the Company). My office is located at 401 Eagle Run Road, Newark, Delaware 19714.

2. **Q: Please state your educational background and relevant experience.**

A: I graduated from Widener University with a Bachelor of Science in Accounting. I am a licensed CPA in the Commonwealth of Pennsylvania. I started working for PHI Service Company in 2006 as the Manager of Revenue Accounting responsible for accounting for all regulated revenue of Pepco Holdings and its regulated subsidiaries. In 2010, I became the Manager of Credit, Collection and Remittance for Atlantic City Electric and Delmarva Power. In that role I was responsible for all credit activities related to the collection of customer accounts receivable. In 2012, I began serving in my current position as the Manager of Regulatory Compliance Pricing where I oversee all of the regulatory filings for Standard Offer Service Programs, the Gas Cost Rate, Demand Side Management,

1 Environmental Surcharge and other related activities. Prior to joining PHI, I was
2 the Controller for a Manufacturing Company and also held a position as an
3 Accounting Manager for a large integrated Health Delivery System.

4 3. Q: Have you previously testified before the Delaware Public Service Commission
5 (Commission)?

6 A: No.

7 4. Q: What is the purpose of this testimony?

8 A: The purpose of my testimony is to support Delmarva's Application for a
9 change to the Gas Cost Rate (GCR) to be effective with usage on and after
10 November 1, 2013, with proration and subject to refund after final Commission
11 order. As detailed further in the Application and Delmarva's pre-filed testimony,
12 Delmarva's request is to reduce the GCR for Residential customers approximately
13 9.9%, from 68.967¢/CCF to 62.106¢/CCF. The effect of this proposed decrease
14 on a residential space heating customer, using 120 CCF in a winter month, would
15 be a decrease of \$8.23 on a typical winter monthly bill. This proposed GCR
16 decrease would result in a 5.5% decrease in a customer's total bill from \$150.67 to
17 \$142.44. The GCR for other customer classes is fully addressed in the Application
18 and pre-filed testimony as well.

19 My pre-filed testimony supports the calculation of the GCR as required by
20 the Gas Service Tariff, which is summarized on Schedule SAD-1, Page 1.
21 Calculation of the proposed GCR factors is based on the gas sales forecast
22 sponsored by Witness Brielmaier, the delivered cost of purchased gas, the average
23 pipeline rate, off-system sales and capacity release estimates, and system design

1 day load, sponsored by Witness Jacoby. My testimony was prepared by me or
2 under my direct supervision. The source documents for my testimony are
3 Company records. I also rely on my personal knowledge and experience.

4 My testimony specifically addresses the following matters:

- 5 1. The development of the GCR based on the Gas Service Tariff;
- 6 2. The reconciliation of actual versus estimated system weighted average
7 commodity cost of gas (WACCOG) assigned to LVG and electing
8 MVG Customers;
- 9 3. The audit of the 2012-2013 GCR year;
- 10 4. The revision of the Balancing Charge rate applicable to Gas
11 Transportation Customers; and
- 12 5. The status of compliance with the provisions of the Settlement
13 Agreement in Docket 12-419F, Commission Order 8397.

14 **5. Q: Please compare the proposed 2013-2014 GCR to the current rate.**

15 **A:** The GCR components applicable to firm sales customers, compared with the
16 currently effective Gas Cost Rate factors, are shown below:

17 **GAS COST RATE**

18

	Current	Proposed	Change
RG, GG, and GL	68.967¢/CCF	62.106¢/CCF	(6.861)¢/CCF
LVG and MVG Demand	\$11.6589/MCF of MDQ*	\$11.9198/MCF of MDQ*	\$0.2609/MCF of MDQ*
Non-Electing MVG Commodity	\$5.1051/MCF	\$4.2536/MCF	\$(0.8515)/MCF
LVG and Electing MVG Commodity	Varies Monthly	Varies Monthly	N/A

19
20 * "MDQ" is Maximum Daily Quantity, which is a measure of a customer's contribution to
21 peak demand.

1 The 2013-2014 calculation of the GCR factors is summarized on Schedule
2 SAD-1, Page 1 of 6. Calculations which support the Commodity Cost Rate (CCR)
3 factors appear on Schedule SAD-1, Pages 2 and 3. Derivation of the Demand Cost
4 Rate (DCR) factors for LVG/MVG customers and volumetric customers is shown
5 on Schedule SAD-1, Pages 4 through 6. The details of the calculation of Off-
6 System Sales and Capacity Release Margins are itemized on Schedule SAD-2.
7 Schedule SAD-3 shows the allocation of estimated costs between the various
8 customer classes, and Schedule SAD-4 includes the derivation of the Demand
9 Expense True-up for the prior GCR period. Schedules SAD-5 through 7, and SAD-
10 11, contain the Recovery Schedules and the associated interest calculations based
11 on actual information for the 2011-2012 GCR period, (9+3) for the current GCR
12 period, and 12 months estimated for the Application Period in this filing. Schedule
13 SAD-8 shows the derivation of the LVG and Electing MVG WACCOG true-up for
14 July 2012 through June 2013. Schedules SAD-9 and SAD-10 contain comparisons
15 of sales and recoverable fuel costs. Schedule SAD-12 provides the details for
16 Delmarva's request to change the transportation customer Balancing Charge. The
17 presently effective DCR factor applicable to MVG and LVG customers and the
18 current CCR and DCR factors applicable to RG and GG customers were approved,
19 by final Commission Order No. 8397 in Docket No. 12-419F. These rates became
20 effective with usage on and after November 1, 2012, with proration.

21 **6. Q: Does Delmarva propose any change in the method for calculating the**
22 **2013/2014 GCR?**

23 **A. No.**

1 7. Q: Please explain the derivation of the estimated firm gas expenses for the period
2 November 2013 through October 2014.

3 A: The total estimated gas expenses for the upcoming GCR period are
4 sponsored by Witness Jacoby on Schedule JBJ-3. Estimated gas costs associated
5 with Company Use are credited against total estimated gas commodity costs in
6 their entirety. Revenue from Transition Charges from customers who switched
7 from a Firm Sales to a Transportation Service, No-Notice Swing Charges, and
8 Balancing Charges are all credited against estimated gas demand expenses at 100%
9 of their value. Margins related to Interruptible Transportation are shared with
10 customers on an 80% / 20% basis, with 80% returned to firm customers through
11 revenue credits and 20% retained by Delmarva.

12 Margins from Capacity Release and Off-System Sales are credited to the
13 GCR at 100% until a total credit of \$3.0 million is reached for the 12-month period
14 ending every June. Once the \$3.0 million threshold is met, the margins are then
15 shared at the 80% / 20% level until the following July.

16 8. Q: Please explain how the revenue credits for service to Interruptible Gas
17 Transportation customers were developed.

18 A: Margins associated with Interruptible Gas Transportation customers are
19 shared on an 80% / 20% basis, with 80% credited to firm full-requirements
20 customers through development of the Demand Factor for the GCR. These
21 margins include customer charges and delivery charges incurred by those
22 customers.

1 **9. Q: Please discuss the gas costs and recoveries for the current November 2012**
2 **through October 2013 GCR period.**

3 **A:** The monthly comparison of actual gas cost and recovery for the period
4 November 2012 through July 2013 and estimated gas cost and recovery for the
5 period August 2013 through October 2013 are shown in Schedule SAD-6, Pages 1
6 and 2. Firm gas costs and recoveries have been compared for each of those months
7 to determine the monthly over or under-recovery of gas costs.

8 Schedule SAD-6, Page 1 shows the projected under-recovery balance of
9 \$5,949,307 (exclusive of interest) of estimated recoverable gas expenses, which is
10 based on nine months of historical data and three months of updated estimates
11 prepared for this filing. The Adjusted Deferred Fuel Balance on November 1, 2012
12 was \$13,385,365. The projected under-recovery position expected on October 31,
13 2013 is \$5,949,307 which is carried into the 2013-2014 application year.

14 **10. Q: Please discuss the interest calculation.**

15 **A:** As specified on Leaf No. 36 in Delmarva's Gas Service Tariff, interest in the
16 amount of \$211,765 was calculated based on the average monthly gas deferred fuel
17 balances, at the rate of 1/12 of the applicable FERC Natural Gas Interest Rate Factor,
18 3.25%, for GCR period 2012-2013, which is available on the FERC website. The
19 interest calculation for the 2013-2014 GCR period is based on nine months of
20 historical data and three months of updated estimates prepared for this filing, and is
21 detailed on Schedule SAD-7.

22

23

1 **11. Q: Please describe the derivation of the proposed Commodity Cost Rate factors**
2 **for the 2013-2014 GCR Application period.**

3 A: Two steps derive the Commodity Cost Rate (CCR) factors for Delmarva's
4 Firm customers. First, total estimated firm commodity costs are allocated between
5 Annual CCR (RG, GG, GL; and Non-Electing MVG customers) and Monthly
6 CCR (LVG and Electing MVG) customers. The same method was used in prior
7 GCR filings to calculate the estimated commodity costs to be assigned to the
8 Monthly CCR customers by setting the commodity portion each month at the
9 system Weighted Average Commodity Cost of Gas (WACCOG) projected for that
10 month (as adjusted for lost and unaccounted-for-gas). This method sets monthly
11 commodity revenues equal to expenses for Monthly CCR customers. All
12 remaining estimated firm commodity expenses are assigned to the Annual CCR
13 customers.

14 Schedule SAD-1, Page 3, shows that there are no projected Monthly CCR
15 customers for the 2013-2014 GCR. As a result, there is no allocation between
16 Monthly and Annual CCR customers in this Application Period.

17 A true-up of LVG and Electing MVG commodity revenues and expenses
18 will be made if there is an over-recovery or under-recovery that exceeds 5% of
19 total gas commodity costs or \$250,000 for the 12 months ended June 30, 2013.
20 The actual WACCOG variance for the 12 months ended June 30, 2013 was \$0.00
21 as shown on Schedule SAD-8. As a result, there is no true-up required for the
22 2012-2013 GCR period.

23 Once the assignment of estimated firm commodity costs between Annual and
24 Monthly CCR customers has been determined, the Annual CCR factor can be
25 calculated. Any over-recovery or under-recovery balance and associated interest
26 remaining from the prior GCR period, net of the demand cost true-up discussed in

1 response to Question No. 13, is assigned to the Annual CCR customers. The
2 calculation of commodity gas cost factors is shown on Schedule SAD-1, Page 2.

3 **12. Q: Please describe the derivation of the proposed Demand Cost Rate factors for**
4 **the 2013/2014 GCR period.**

5 **A:** Demand-related costs are allocated and recovered through two separate and
6 distinct mechanisms in accordance with past practices. The allocation of firm gas
7 demand charges is the first step in this process, and involves the calculation of
8 average and excess daily loads. Average daily loads are calculated by dividing
9 projected sales by class over the entire GCR period, by the number of days in the
10 period. These average daily loads are then multiplied by the Average Pipeline Rate
11 to derive firm demand expenses attributable to service rendered to support average
12 loads. All remaining firm demand expenses are allocated based on excess loads,
13 which are calculated by subtracting the average daily loads, by class, from the
14 design day loads. The ratio of each class's excess load to the system total is then
15 multiplied by the demand costs which remain unallocated after the development of
16 expenses based on average loads. The addition of the average and excess load
17 allocations result in the firm demand costs, which are to be collected from the
18 volumetric (RG, GG, and GL) and Demand Metered (MVG and LVG) classes.

19 The gas demand rate applicable to MVG and LVG customers is calculated
20 by dividing their share of firm demand charges by their total Contract Maximum
21 Daily Quantity (MDQ), which is a measure of an individual customer's
22 contribution to the peak level of demand. This calculation appears on Schedule
23 SAD-1, Page 4.

24 Firm gas demand expenses not allocated to the non-volumetric DCR
25 customers are the basis for calculating the volumetric DCR factor. The calculation
26 of the volumetric DCR factor appears on Schedule SAD-1, Page 6.

1 A summary of the allocation of firm commodity and demand expenses
2 among the various classes is shown on Schedule SAD-3, Page 1.

3 **13. Q: Please discuss the demand cost true-up included in the calculation of the**
4 **Demand Cost Rate factors for both volumetric and non-volumetric customers.**

5 A: A true-up of demand-related cost differences has been applied to all sales
6 customers. This true-up is achieved by comparison of the estimated monthly
7 demand costs and the actual demand costs for the period of August 2012 through
8 July 2013. For the period of August 2013 through October 2013, estimates from
9 the August 2012 GCR filing are compared to the estimates developed for use in
10 this filing. The cumulative monthly variance is multiplied by 1/12 of the FERC
11 Gas Refund Rate then in effect. The total true-up (variance plus interest) of
12 \$(720,669) is allocated among the volumetric and non-volumetric customers in the
13 development of the volumetric and non-volumetric DCR factor calculations. This
14 calculation appears on Schedule SAD-4.

15 **14. Q: Please describe Schedules SAD-9 through SAD-11.**

16 A: Schedule SAD-9 details actual and estimated monthly sales for the twelve
17 months ended October 31 in 2012, 2013, and 2014. Schedule SAD-10 compares
18 the actual and estimated gas costs and regulatory credits for the twelve months
19 ended October 31 in 2012, 2013, and 2014. Schedule SAD-11 provides the actual
20 recovery results for the twelve-month reconciliation period ended July 31, 2013.

21 **15. Q: Please describe the status of the 2012-2013 GCR audit.**

22 A: Delmarva's Internal Audit Department is in the process of completing the
23 audit for Delmarva Power and Light Report on the Comparison of Gas Expense
24 and Recovery for the year ended 2012. This audit includes the review of a
25 sampling of customer billing and both regulatory and accounting records
26 concerning sales, gas costs and gas cost revenue. The audit procedures and results
27 will be reviewed by PriceWaterHouseCoopers, LLP in order for them to form an

opinion on the Report on the Comparison of Gas Expense and Recovery that it is presented fairly in all material respects. The final report will be filed with the Commission by October 31, 2013.

17. Q: Please discuss the proposed change to the Gas Transportation Balancing Charge.

A: As shown on Schedule SAD-12, the proposed balancing charge to go into effect on November 1, 2013 is a decrease from \$0.3348 per MCF of imbalance volume to \$0.3337 per MCF, which is a decrease of 0.3%. This decrease is due to lower estimated upstream costs of balancing.

18. Q: Please summarize the GCR factors proposed for the 12-month period beginning November 1, 2013

A: The proposed GCR factors applicable to volumetric customers for the 2013/2014 GCR period are based on the following amounts:

	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
Estimated Firm Gas Costs for the 2013/2014 GCR period	\$46,018,950	\$24,857,213	\$70,876,163
Estimated Under-Recovery Position at 10/31/13	\$5,949,307	N/A	\$5,949,307
True-Ups and Timing Differences	\$418,954	\$(720,669)	\$(301,715)
Interest	\$211,765	N/A	\$211,765
Subtotal	\$52,598,976	\$24,136,544	\$76,735,521
Monthly CCR Factor Credit	—	—	—
MVG/LVG DCR Factor Credit	N/A	\$(494,481)	\$(494,481)
Volumetric Expenses	\$52,598,976	\$23,642,063	\$76,241,040
Estimated 2013/2014 GCR Period Sales(MCF)	12,365,627	12,080,993 ¹	12,365,627
Volumetric Gas Cost Rate	<u>\$4.2536/MCF</u>	<u>\$1.9570/MCF</u>	<u>\$6.2106/MCF</u>

¹Note this total excludes MVG & LVG sales of 284,634

1 **19. Q: What are the components of the GCR?**

2 **A.** The GCR is comprised of the following components:

3

Commodity Related Items	\$3.7554
Demand Related Items	\$1.9570
Under Recovered Balance	\$0.4982
Gas Cost Rate	\$6.2106

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5

6 The Commodity component is primarily composed of the cost of natural gas
7 as quoted by the NYMEX on August 8, 2013. The Demand component is the per
8 unit cost of Delmarva's transportation and storage assets. Transportation assets
9 are needed to deliver natural gas to the Delmarva's city gate for customer
10 consumption and storage assets are necessary for reliability. The Commodity and
11 Demand components are described in Witness Jacoby's testimony. The Under
12 Recovered balance is carried over from the prior GCR period.

13 **20. Q: What would be the effect of the proposed GCR on customers' bills?**

14 **A:** The effect of the proposed GCR on a residential space heating customer,
15 using 120 CCF in a winter month is summarized as follows:

16

Bill Component	Base Rates and Current GCR	Base Rates and Proposed GCR	% Change
Base Rate	\$67.91	\$67.91	0%
GCR	\$82.76	\$74.53	-9.9%
Total Bill Amount	\$150.67	\$142.44	-5.5%
\$ Decrease		\$8.23	

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19 Gas costs included in the proposed GCR represent approximately 52.3% of
20 the total bill amount under the proposed GCR.

21 Customers served on Service Classification GG, MVG, LVG will
22 experience a decrease on their winter bills within the range of a 4.7% and 11.7%.

23 The amount of the decrease will depend upon their load and usage characteristics.

1 **21. Q. Please provide an update on the status of compliance with the terms of the**
2 **Settlement Agreement approved in Docket No. 12-419F, per Order No. 8397**

3 A. Delmarva will continue to execute its Natural Gas Hedging Program as
4 discussed in Witness Jacoby's testimony. The status of the resolution of the lost
5 and unaccounted-for-gas (LAUF) issue is discussed in Witness Brielmaier's
6 testimony. Delmarva is committed to improving the GCR process as described in
7 the Settlement Agreement in Docket 12-419F, Item 14. Delmarva met with
8 Commission Staff on July 10, 2013 and provided them with a few different
9 options to consider for improving the GCR process. Commission Staff agreed
10 that Delmarva should use the same methodology for the GCR calculation as has
11 been used in the past, but that Delmarva and Commission Staff should evaluate
12 the effect of any process improvements during the 2013/2014 GCR year.
13 Delmarva also continues to regularly evaluate its pipeline capacity and storage
14 portfolio with the goal of mitigating increases in fixed costs.

15 **22. Q: Please reference the tariff revisions proposed by Delmarva in this filing.**

16 A: Included with the application, are the following P.S.C. Del. No. 5 - Gas
17 tariff leafs, red-lined to show the modifications required by the Gas Service Tariff:

- 18 • 53rd Revised Leaf No. 37
- 19 • 49th Revised Leaf No. 38
- 20 • 27th Revised Leaf No. 39

21 **23. Q: What is Delmarva requesting of the Commission in this filing?**

22 A: Delmarva respectfully requests that the Commission:

- 23 1. Approve the proposed Gas Cost Rate factors and balancing charge to
24 become effective with usage on or after November 1, 2013, with
25 proration.

26 **24. Q: Does this conclude your pre-filed direct testimony?**

27 A: Yes, it does

Delmarva Power & Light Company
Summary of Gas Cost Rate
Commodity and Demand Factors
For November 2013 Through October 2014

<u>Description</u>	<u>RG, GG, and GL</u>	<u>Non-Electing MVG</u>	<u>Electing MVG</u>	<u>LVG</u>
Commodity	\$4.2536 / Mcf	\$4.2536 / Mcf	Varies	Varies
Demand	<u>\$1.9570 / Mcf</u>	\$11.9198 / Mcf of MDQ	\$11.9198 / Mcf of MDQ	\$11.9198 / Mcf of MDQ
Total GCR	<u><u>\$6.2106 / Mcf</u></u>			

Delmarva Power & Light Company
Calculation of Gas Cost Rate Commodity Factors
For November 2013 Through October 2014

Description	RG, GG, GL and Non Electing MVG (\$)	Electing MVG (\$)	LVG (\$)	Total (\$)
Estimated Under-Recovery Position @ October 31, 2013	5,949,307	0	0	5,949,307
Interest Income	211,765	0	0	211,765
Estimated Under-Recovery Position @ November 1, 2013	6,161,072	0	0	6,161,072
Demand Expense True-Up (1)	720,669			720,669
FPS Commodity True-Up	0	0	0	0
Proration of November 2013 GCR (2)	(301,715)	0	0	(301,715)
Total Estimated Firm Commodity Costs	46,018,950	0	0	46,018,950
Total Commodity Revenues to be Collected	52,598,976	0	0	52,598,976
Estimated Firm Sales	12,365,627	0	0	12,365,627
Commodity Cost Factor	4.2536	Varies	Varies	N / M

N / M = Not Meaningful

Notes:

- (1) See Schedule SAD-4 for Demand Expense True-Up calculation.
(2) November 2013 revenue from RG, GG, GL, and MVG is prorated between old and new GCR, which corrects for a revenue deficit when rates are rising and a revenue surplus when rates are falling. The adjustment is calculated as follows:

	One Half of November 2013 Sales	Proposed Rate	Current Rate	Difference	Adjustment
RR, RSH, GG, GL	426,949	\$6.2106	\$6.8967	(\$0.6861)	(\$292,930)
Non Electing MVG Commodity	10,317	\$4.2536	\$5.1051	(\$0.8515)	(\$8,785)
Total	437,266				(\$301,715)

Delmarva Power & Light Company
Monthly MVG and LVG Commodity Cost Factor Revenues
August 2013 Through October 2014
(15 Months Estimated)

<u>Description</u>	<u>System WACCOG</u> (\$/Mcf)	<u>Commodity Rate (1)</u> (\$/Mcf)	<u>LVG Sales</u> (Mcf)	<u>LVG Revenue</u> (\$)	<u>Electing MVG Sales</u> (Mcf)	<u>Electing MVG Revenue</u> (\$)	<u>Total Monthly CCR Revenue</u>
August 2013	3.8525	3.9681	0	0	0	0	0
September 2013	3.8312	3.9461	0	0	0	0	0
October 2013	3.8014	3.9154	0	0	0	0	0
November 2013	3.5825	3.6828	0	0	0	0	0
December 2013	3.7958	3.9021	0	0	0	0	0
January 2014	3.9066	4.0160	0	0	0	0	0
February 2014	3.9042	4.0135	0	0	0	0	0
March 2014	3.8446	3.9523	0	0	0	0	0
April 2014	3.5602	3.6599	0	0	0	0	0
May 2014	2.4219	2.4897	0	0	0	0	0
June 2014	2.0291	2.0859	0	0	0	0	0
July 2014	2.0792	2.1374	0	0	0	0	0
August 2014	2.0619	2.1196	0	0	0	0	0
September 2014	2.1146	2.1738	0	0	0	0	0
October 2014	2.8078	2.8864	0	0	0	0	0
2013/2014 GCR Total			0	0	0	0	0

Note:

(1) Monthly Commodity Rate is equal to the System Weighted Average Commodity Cost of Gas (WACCOG) adjusted for losses of 2.8%. It is also adjusted for the LVG and Electing MVG WACCOG True-Up of \$0.0000

Delmarva Power & Light Company
Calculation of Gas Cost Rate Demand Factors
Applicable To Non-Volumetric DCR Factor Customers
For November 2013 Through October 2014

Description	Amount
Total Gas Demand Expense	29,458,816
<u>Demand Credits:</u>	
Off System Sales & SWAPS Margins	(2,149,075)
Capacity Release Margins	(1,213,942)
FPS Margins	0
Interruptible Gas Transportation Margins	(703,956)
Transition Charges	(132,473)
No Notice Swing Charges	0
Balancing Charges	(402,157)
Unauthorized Overrun	0
Total Demand Revenue Credits	(4,601,603)
Total Firm Gas Supply Demand Expense	24,857,213
Total Demand Expense True-Up	(720,669)
Adjusted Total Firm Gas Supply Demand Expense	<u>24,136,544</u>

Allocation of Demand Expenses Based on Average Daily and Excess Load Factors:

		<u>System</u>	<u>Volumetric</u>	<u>MVG</u>	<u>LVG</u>
Average Daily Load Allocation @ \$ 217.7	217.70	7,375,444	7,205,638	169,806	0
Excess Load Allocation (1)		<u>16,761,100</u>	<u>16,436,425</u>	<u>324,675</u>	<u>0</u>
Total Demand Costs to be Collected		24,136,544	23,642,063	494,481	0
MVG and LVG Allocation		\$494,481			
MVG & LVG Forecast MDQ (mcf)		<u>3,457</u>			
Annual Demand Rate (Per MCF of MDQ)		\$ 143.04			
Monthly Demand Rate (Per MCF of MDQ)		<u>\$ 11.9198</u>			

Note:

(1) Excess load allocation is based on ratio of Excess loads by class to the total for all classes. Design Day, Average Daily, and Excess Loads, in MCF, are as follows:

	<u>Design Day</u>	<u>Average Daily</u>	<u>Excess</u>
MVG	3,457	780	2,677
LVG	0	0	0
Volumetric	168,620	33,099	135,521

Delmarva Power & Light Company
MVG & LVG Demand Factor Revenues
August 2013 Through October 2014
(15 Months Estimated)

2012/2013 GCR Period Monthly Demand Rate, \$/Mcf	11.6589
<u>Proposed Monthly Demand Rate, \$/Mcf</u>	<u>11.9198</u>

<u>Description</u>	<u>MVG Contract MDQ Mcf</u>	<u>MVG Revenue \$</u>	<u>LVG Contract MDQ Mcf</u>	<u>LVG Revenue \$</u>	<u>Total Revenue \$</u>
August 2013	4,532	52,838	0	0	52,838
September	4,532	52,838	0	0	52,838
October 2013	4,532	52,838	0	0	52,838
November 2013	3,457	41,207	0	0	41,207
December 2013	3,457	41,207	0	0	41,207
January 2014	3,457	41,207	0	0	41,207
February 2014	3,457	41,207	0	0	41,207
March 2014	3,457	41,207	0	0	41,207
April 2014	3,457	41,207	0	0	41,207
May 2014	3,457	41,207	0	0	41,207
June 2014	3,457	41,207	0	0	41,207
July 2014	3,457	41,207	0	0	41,207
August 2014	3,457	41,207	0	0	41,207
September 2014	3,457	41,207	0	0	41,207
October 2014	3,457	41,207	0	0	41,207
2013/2014 GCR Total		<u>\$494,481</u>		<u>\$ -</u>	<u>\$ 494,481</u>

Delmarva Power & Light Company
Calculation of Gas Cost Rate Demand Factors
Applicable To Volumetric DCR Customers
For November 2013 Through October 2014

<u>Description</u>	<u>RG, GG, and GL</u>
Total Firm Gas Demand Expense	\$ 24,857,213
FPS Margin True-Up	0
Demand Expense True-Up	<u>(720,669)</u>
Total Recoverable Gas Expenses	<u>\$24,136,544</u>
MVG Demand Credit	(494,481)
LVG Demand Credit	<u>0</u>
Total Demand Credits	<u>\$ (494,481)</u>
Demand Revenue collections - RG, GG, GL	\$ 23,642,063
Estimated Firm Volumetric Sales (Mcf)	<u>12,080,993</u>
Demand Factor to be Collected in GCR Volumetrically	<u>\$1.9570 / Mcf</u>

Delmarva Power & Light Company
Capacity Release & Off System Sales
For July 2012 Through October 2014

Month	Capacity Release Revenue \$	Off-System Sales Revenue \$	Off-System Sales Expenses \$	Off-System Sales Margins \$	Total Margins \$	Accumulated Margins \$	Margins Shared \$	Percentage of Margins Shared
Jul-12	208,248	2,731,122	2,643,898	87,223	295,472	295,472	295,472	100.00%
Aug-12	194,977	2,471,217	2,405,381	65,836	260,813	556,284	260,813	100.00%
Sep-12	213,425	1,272,607	1,246,839	25,769	239,194	795,478	239,194	100.00%
Oct-12	207,779	2,976,629	2,918,332	58,297	266,076	1,061,554	266,076	100.00%
Nov-12	50,606	2,879,148	2,750,062	129,086	179,692	1,241,246	179,692	100.00%
Dec-12	15,018	2,895,182	2,699,349	195,833	210,851	1,452,097	210,851	100.00%
Jan-13	148,827	4,420,961	3,658,824	762,137	910,965	2,363,062	910,965	100.00%
Feb-13	92,677	2,972,142	2,576,557	395,585	488,262	2,851,324	488,262	100.00%
Mar-13	146,361	3,777,825	3,617,558	160,267	306,628	3,157,952	275,045	89.70%
Apr-13	67,031	1,865,539	1,800,208	65,331	132,362	3,290,313	105,889	80.00%
May-13	188,627	922,074	873,113	48,961	237,588	3,527,901	190,070	80.00%
Jun-13	137,774	1,060,823	988,604	72,218	209,993	3,737,894	167,994	80.00%
Jul-13	229,658	1,363,044	1,139,262	223,782	453,440	453,440	453,440	100.00%
Aug-13	147,250	90,591	0	90,591	237,841	691,281	237,841	100.00%
Sep-13	142,500	98,602	0	98,602	241,102	932,382	241,102	100.00%
Oct-13	147,250	139,950	0	139,950	287,200	1,219,582	287,200	100.00%
Nov-13	157,500	168,730	0	168,730	326,230	1,545,812	326,230	100.00%
Dec-13	85,250	576,336	0	576,336	661,586	2,207,398	661,586	100.00%
Jan-14	85,250	403,264	0	403,264	488,514	2,695,911	488,514	100.00%
Feb-14	77,000	137,369	0	137,369	214,369	2,910,280	214,369	100.00%
Mar-14	85,250	188,535	0	188,535	273,785	3,184,065	219,028	80.00%
Apr-14	127,200	101,203	0	101,203	228,403	3,412,468	182,723	80.00%
May-14	123,690	111,741	0	111,741	235,431	3,647,900	188,345	80.00%
Jun-14	119,700	115,629	0	115,629	235,329	3,883,229	188,264	80.00%
Jul-14	100,440	99,840	0	99,840	200,280	200,280	200,280	100.00%
Aug-14	100,440	99,919	0	99,919	200,359	400,638	200,359	100.00%
Sep-14	119,700	109,689	0	109,689	229,389	630,027	229,389	100.00%
Oct-14	123,690	140,243	0	140,243	263,933	893,960	263,933	100.00%

Delmarva Power & Light Company
Allocation of Firm Commodity and Demand Expenses
For November 2013 Through October 2014
12 Months Estimated

Description	2014												Total \$
	November \$	December \$	January \$	February \$	March \$	April \$	May \$	June \$	July \$	August \$	September \$	October \$	
Allocation of Commodity Expenses:													
LVG Commodity Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Electing MVG Commodity Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Monthly CCR Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Annual CCR Expenses	4,094,777	7,749,585	10,260,773	9,660,007	7,154,949	3,273,833	796,008	392,987	427,057	420,903	566,156	1,221,915	46,018,950
Total Firm Commodity Expenses	4,094,777	7,749,585	10,260,773	9,660,007	7,154,949	3,273,833	796,008	392,987	427,057	420,903	566,156	1,221,915	46,018,950
Allocation of Demand Expenses:													
MVG Demand Expenses	41,207	41,207	41,207	41,207	41,207	41,207	41,207	41,207	41,207	41,207	41,207	41,207	494,481
LVG Demand Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Volumetric DCR Expenses	41,207	41,207	41,207	41,207	41,207	41,207	41,207	41,207	41,207	41,207	41,207	41,207	494,481
Total Volumetric DCR Expenses	1,943,943	1,668,689	1,834,325	1,973,959	2,131,592	2,103,515	2,162,661	2,100,089	2,140,780	2,143,590	2,057,601	2,101,986	24,362,729
Total Firm Demand Expenses	1,985,150	1,709,896	1,875,532	2,015,166	2,172,799	2,144,722	2,203,868	2,141,296	2,181,987	2,184,797	2,098,808	2,143,193	24,857,213

Delmarva Power and Light Company
Comparison of Actual Gas Demand Costs to
Estimated Gas Demand Costs
For Delmarva Firm Gas Operations For the Period
For August 2012 Through October 2013

Description	Demand Expense		Monthly Variance	Cumulative Variance	Interest Expense (3)	Demand Costs	
	Actual (1)	Estimated (2)				True - Up	
	\$	\$	\$	\$	\$	\$	\$
August 2012	2,390,927	2,400,292	(9,364)	(9,364)	(25)	(9,390)	
September 2012	2,214,030	2,431,850	(217,820)	(227,184)	(615)	(218,435)	
October 2012	2,278,934	2,447,542	(168,607)	(395,791)	(1,072)	(169,679)	
November 2012	2,214,391	2,392,368	(177,977)	(573,769)	(1,554)	(179,531)	
December 2012	2,403,810	2,451,734	(47,923)	(621,692)	(1,684)	(49,607)	
January 2013	2,407,990	2,451,734	(43,743)	(665,435)	(1,802)	(45,546)	
February 2013	2,256,540	2,299,057	(42,517)	(707,953)	(1,917)	(44,435)	
March 2013	2,087,219	2,442,978	(355,758)	(1,063,711)	(2,881)	(358,639)	
April 2013	2,402,290	2,310,288	92,002	(971,708)	(2,632)	89,371	
May 2013	2,450,104	2,356,411	93,693	(878,015)	(2,378)	91,315	
June 2013	2,395,322	2,305,946	89,376	(788,639)	(2,136)	87,240	
July 2013	2,450,600	2,356,411	94,190	(694,449)	(1,881)	92,309	
August 2013	2,356,411	2,356,411	0	(694,449)	(1,881)	(1,881)	
September 2013	2,305,946	2,305,946	0	(694,449)	(1,881)	(1,881)	
October 2013	2,386,271	2,386,271	0	(694,449)	(1,881)	(1,881)	
Total	35,000,785	35,695,234	(694,449)		(26,220)	(720,669)	

Notes:

- (1) The Months August 2013 through October 2013 in the column titled "Actuals" are based on the Company's estimates from the August 2012 GCR filing.
- (2) Estimated Demand Expenses for the period August 2012 through October 2013 are based on projections from the August 2012 GCR filing.
- (3) Interest expense for August 2012 and September 2012 is based on the FERC Refund Interest Rate of 3.25% applied to the cumulative monthly variance.
- Interest expense for October 2012 through December 2012 is based on the FERC Refund Interest Rate of 3.25% applied to the cumulative monthly variance.
- Interest expense for January 2013 through March 2013 is based on the FERC Refund Interest Rate of 3.25% applied to the cumulative monthly variance.
- Interest expense for April 2013 through June 2013 is based on the FERC Refund Interest Rate of 3.25% applied to the cumulative monthly variance.
- Interest expense for July 2013 through October 2013 is based on the FERC Refund Interest Rate of 3.25% applied to the cumulative monthly variance.

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
For November 2013 Through October 2014
12 Months Estimated

<u>Billing Month</u>	<u>Firm Sales</u> (Mcf)	<u>Total GCR</u> <u>Revenue</u> (<u>\$</u>)	<u>Total</u> <u>Gas Cost</u> (<u>\$</u>)	<u>(Over) or</u> <u>Under</u> <u>Recovery</u> <u>Monthly</u> (<u>\$</u>)	<u>Deferred</u> <u>Fuel</u> <u>Balance</u> <u>YTD</u> (<u>\$</u>)	<u>% (Over)</u> <u>or Under</u> <u>Recovery</u> (<u>%</u>)
Estimated Deferred Fuel Balance @ October 31, 2013					5,949,307	
Estimated Interest Expense					211,765	
Estimated Deferred Fuel Balance @ November 1, 2013					6,161,072	
November 2013	874,532	5,733,953	6,079,927	345,974	6,507,046	
December 2013	1,622,332	10,043,354	9,459,481	(583,873)	5,923,173	
January 2014	2,249,825	13,923,895	12,136,305	(1,787,590)	4,135,582	
February 2014	2,355,493	14,579,922	11,675,173	(2,904,749)	1,230,834	
March 2014	1,988,749	12,315,861	9,327,749	(2,988,112)	(1,757,279)	
April 2014	1,252,601	7,761,878	5,418,555	(2,343,323)	(4,100,602)	
May 2014	624,993	3,893,044	2,999,876	(893,168)	(4,993,769)	
June 2014	331,274	2,078,705	2,534,283	455,578	(4,538,191)	
July 2014	242,832	1,534,306	2,609,044	1,074,738	(3,463,453)	
August 2014	213,069	1,349,839	2,605,699	1,255,860	(2,207,593)	
September 2014	244,951	1,538,811	2,664,964	1,126,153	(1,081,441)	
October 2014	364,976	2,283,609	3,365,108	1,081,499	58	0.0%
Total	<u>12,365,627</u>	<u>77,037,177</u>	<u>70,876,163</u>	<u>(6,161,014)</u>		

Notes:

- (1) November 2013 through October 2014 Fuel Revenue is based on GCR of \$6.2106 / Mcf
- (2) Estimated Gas Cost Expenses and WACCOGs are based on the August 8, 2013 NYMEX closing prices.

Delmarva Power & Light Company
Development of Annual Commodity and Demand Expenses
For November 2013 Through October 2014
12 Months Estimated

Description	2014												Total
	November	December	January	February	March	April	May	June	July	August	September	October	
Total Gas Supply Expense	6,548,703	10,269,940	12,782,614	12,014,946	9,665,701	5,697,909	3,272,532	2,800,563	2,888,357	2,882,896	2,973,497	3,712,621	75,510,878
Total Gas Commodity Expense	4,097,609	7,753,319	10,265,994	9,664,651	7,159,502	3,278,404	797,923	394,207	427,935	421,874	567,141	1,223,503	46,052,062
Commodity Credits:													
Off System Sales - Fuel Cost (1)	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Outs	0	0	0	0	0	0	0	0	0	0	0	0	0
Company Use Gas	(2,832)	(3,734)	(5,221)	(4,644)	(4,553)	(4,571)	(1,915)	(1,220)	(878)	(971)	(985)	(1,588)	(33,112)
Total Commodity Fuel Credits	(2,832)	(3,734)	(5,221)	(4,644)	(4,553)	(4,571)	(1,915)	(1,220)	(878)	(971)	(985)	(1,588)	(33,112)
Total Firm Commodity Cost of Gas	4,094,777	7,749,585	10,260,773	9,660,007	7,154,949	3,273,833	796,008	392,987	427,057	420,903	566,156	1,221,915	46,018,950
Total Gas Demand Expense	2,451,094	2,516,620	2,516,620	2,350,295	2,506,198	2,419,505	2,474,609	2,406,356	2,461,022	2,461,022	2,406,356	2,489,117	29,458,816
Demand Credits (% varies)													
Off-System Sales & Swaps	(168,730)	(576,336)	(403,264)	(137,369)	(150,828)	(80,963)	(89,393)	(92,504)	(99,840)	(99,919)	(109,689)	(140,243)	(2,149,075)
Capacity Release	(157,500)	(85,250)	(85,250)	(77,000)	(68,200)	(101,760)	(98,952)	(95,760)	(100,440)	(100,440)	(119,700)	(123,690)	(1,213,942)
Interruptible Gas Transportation	(66,955)	(72,380)	(84,900)	(78,489)	(78,598)	(56,717)	(47,585)	(42,190)	(44,098)	(41,209)	(43,501)	(47,334)	(703,956)
Subtotal	(393,185)	(733,966)	(573,414)	(292,858)	(297,626)	(239,440)	(235,930)	(230,454)	(244,378)	(241,568)	(272,890)	(311,267)	(4,066,973)
Demand Credits @ 100%													
Transition Charges	(39,246)	(39,246)	(34,162)	(8,758)	(2,260)	(1,830)	(1,298)	(1,093)	(1,145)	(1,145)	(1,145)	(1,145)	(132,473)
No-Notice Swing Charges	0	0	0	0	0	0	0	0	0	0	0	0	0
Balancing Charges	(33,513)	(33,513)	(33,513)	(33,513)	(33,513)	(33,513)	(33,513)	(33,513)	(33,513)	(33,513)	(33,513)	(33,513)	(402,157)
Unauthorized Overrun	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	(72,759)	(72,759)	(67,675)	(42,271)	(35,773)	(35,343)	(34,811)	(34,606)	(34,658)	(34,658)	(34,658)	(34,658)	(534,630)
Total Demand Credits	(465,944)	(806,725)	(641,089)	(335,129)	(333,399)	(274,783)	(270,741)	(265,060)	(279,036)	(276,226)	(307,548)	(345,925)	(4,601,603)
Total Firm Demand Expenses	1,985,150	1,709,896	1,875,532	2,015,166	2,172,799	2,144,722	2,203,868	2,141,296	2,181,987	2,184,797	2,098,808	2,143,193	24,857,213
Total Firm Gas Expenses	6,079,927	9,459,481	12,136,305	11,675,173	9,327,749	5,418,555	2,999,876	2,534,283	2,609,044	2,605,699	2,664,964	3,365,108	70,876,163

Note: (1) The Cost of Fuel for Off-System Sales and Cash-Outs have not been included in the estimated Commodity Expenses shown on this Schedule and therefore does not require removal.

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
For November 2012 Through October 2013
9 Months Actual, 3 Months Updated Estimates

<u>Billing Month</u>	<u>Firm Sales</u> <u>Mcf</u>	<u>Total Gas Cost Recovery</u> <u>(\$)</u>	<u>Total Gas Cost</u> <u>(\$)</u>	<u>(Over) or Under Recovery Monthly</u> <u>(\$)</u>	<u>Deferred Fuel Balance YTD</u> <u>(\$)</u>	<u>% (Over) or Under Recovery</u> <u>(%)</u>
Deferred Fuel Balance @ October 31, 2012					13,138,828	
Interest Expense					246,537	
Adjusted Deferred Fuel Balance @ November 1, 2012					13,385,365	
November 2012	915,802	7,104,521	9,161,665	2,057,144	15,442,509	
December 2012	1,442,824	9,926,396	10,213,228	286,832	15,729,342	
January 2013	1,933,223	13,311,220	10,646,666	(2,664,553)	13,064,788	
February 2013	2,139,487	14,727,836	10,248,860	(4,478,976)	8,585,812	
March 2013	2,018,409	13,893,589	9,687,903	(4,205,686)	4,380,126	
April 2013	1,353,361	9,328,764	5,020,658	(4,308,107)	72,024	
May 2013	543,133	3,761,537	3,668,336	(93,201)	(21,177)	
June 2013	320,031	2,269,886	3,249,284	979,399	958,221	
July 2013	260,106	1,767,488	2,895,417	1,127,929	2,086,150	
August 2013	188,135	1,315,461	2,670,195	1,354,734	3,440,884	
September 2013	204,537	1,427,977	2,770,286	1,342,309	4,783,193	
October 2013	352,799	2,470,593	3,636,707	1,166,114	5,949,307	8.1%
Total	<u>11,671,846</u>	<u>81,305,268</u>	<u>73,869,206</u>	<u>(7,436,062)</u>		

Notes:

- (1) November 1, 2012 through October 31, 2013 Fuel Revenue is based on GCR of \$6.8967/Mcf as approved by Order No. 8397 in Docket No. 12-419F dated June 18, 2013.
- (2) Estimated Gas Cost Expenses and WACCOGs are based on the August 8, 2013 NYMEX closing prices.

Delmarva Power & Light Company
Development of Annual Commodity and Demand Expenses
For November 2012 Through October 2013
9 Months Actual, 3 Months Updated Estimates

Description	2012												2013												Total
	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Gas Supply Expense	12,227,183	13,252,764	15,345,323	13,407,845	13,669,289	7,024,901	4,809,404	4,479,747	4,548,469	3,053,296	3,154,105	4,064,880													99,037,206
Total Gas Commodity Expense	10,012,793	10,848,953	12,937,333	11,151,306	11,582,070	4,622,610	2,359,300	2,084,425	2,097,868	696,886	848,159	1,678,609													70,920,313
Fuel Credits:																									
FPS Gas - Fuel Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Off System Sales - Fuel Cost (1)	(2,750,062)	(2,699,349)	(3,658,824)	(2,576,557)	(3,617,558)	(1,800,208)	(873,113)	(988,604)	(1,139,262)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(20,103,538)
Cash Outs	(2,801)	(58)	0	0	0	(668)	(595)	(1,706)	(44)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(5,873)
Company Use Gas	(2,771)	(3,342)	(3,722)	(5,265)	(5,278)	(4,577)	(5,226)	(3,231)	(2,999)	(2,083)	(1,803)	(1,860)													(42,157)
Total Fuel Credits	(2,755,634)	(2,702,749)	(3,662,546)	(2,581,822)	(3,622,836)	(1,805,453)	(878,934)	(993,542)	(1,142,305)	(2,083)	(1,803)	(1,860)													(20,151,568)
Total Gas Commodity Expense	7,257,158	8,146,204	9,274,786	8,569,484	7,959,234	2,817,157	1,480,366	1,090,883	955,563	694,803	846,356	1,676,749													50,768,745
Total Gas Demand Expense	2,214,391	2,403,810	2,407,990	2,256,540	2,087,219	2,402,290	2,450,104	2,395,322	2,450,600	2,356,411	2,305,946	2,386,271													28,116,894
Demand Credits (% varies)																									
Off-System Sales & Swaps	(129,086)	(195,833)	(762,137)	(395,585)	(143,759)	(52,265)	(39,169)	(57,775)	(223,782)	(90,591)	(98,602)	(139,950)													(2,328,532)
Capacity Release	(50,606)	(15,018)	(148,827)	(92,677)	(131,286)	(53,624)	(150,902)	(110,220)	(229,658)	(147,250)	(142,500)	(147,250)													(1,419,818)
FPS Margins	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interruptible Gas Transportation	(51,215)	(50,817)	(46,595)	(39,713)	(45,735)	(49,010)	(44,768)	(39,294)	(32,137)	(65,767)	(66,133)	(66,354)													(597,538)
Subtotal	(230,907)	(261,668)	(957,560)	(527,975)	(320,780)	(154,899)	(234,838)	(207,288)	(485,577)	(303,608)	(307,235)	(353,554)													(4,345,888)
Demand Credits @ 100 %																									
Transition Charges	(39,246)	(39,246)	(34,162)	(8,758)	(2,260)	(1,830)	(1,298)	(1,093)	(1,145)	(43,898)	(41,269)	(39,246)													(253,451)
Balancing Charges	(39,731)	(35,872)	(36,418)	(40,430)	(35,508)	(42,061)	(25,938)	(28,540)	(24,025)	(33,513)	(33,513)	(33,513)													(409,063)
No Notice Swing Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unauthorized Overrun	0	0	(7,970)	0	0	0	(60)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(8,030)
Total Demand Credits	(309,884)	(336,786)	(1,036,110)	(577,163)	(358,549)	(198,790)	(262,134)	(236,921)	(510,747)	(381,019)	(382,017)	(426,313)													(5,016,432)
Total Firm Demand Expenses	1,904,507	2,067,025	1,371,880	1,679,376	1,728,671	2,203,500	2,187,970	2,158,401	1,939,854	1,975,392	1,923,929	1,959,958													23,100,462
Total Firm Gas Expenses	9,161,665	10,213,228	10,646,666	10,248,860	9,687,904	5,020,658	3,668,336	3,249,284	2,895,417	2,670,195	2,770,286	3,636,707													73,889,207

Note: (1) The Cost of Fuel for Off-System Sales and Cash-Outs have not been included in the estimated Commodity Expenses shown on this Schedule and therefore does not require removal.

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
For November 2011 Through October 2012
12 Months Actual

<u>Billing Month</u>	<u>Firm Sales</u> (Mcf)	<u>Total GCR</u> <u>Revenue</u> (<u>\$</u>)	<u>Total</u> <u>Gas Cost</u> (<u>\$</u>)	<u>Reduction in</u> <u>in deferral for</u> <u>LG LAUF</u>	<u>(Over) or</u> <u>Under</u> <u>Recovery</u> <u>Monthly</u> (<u>\$</u>)	<u>Deferred</u> <u>Fuel</u> <u>Balance</u> <u>YTD</u> (<u>\$</u>)	<u>% (Over)</u> <u>or Under</u> <u>Recovery</u> (<u>%</u>)
Deferred Fuel Balance Including FPS WACCOG True-Up @ October 31, 2011						21,877,733	
FPS WACCOG True Up						0	
Interest Expense						403,252	
Deferred Fuel Balance @ November 1, 2011						22,280,985	
November 2011	784,454	7,173,575	9,223,195		2,049,620	24,330,605	
December 2011	1,208,108	10,704,732	11,629,717		924,984	25,255,589	
January 2012	1,997,486	17,692,861	12,711,044		(4,981,816)	20,273,773	
February 2012	1,766,229	15,618,151	10,637,683		(4,980,468)	15,293,305	
March 2012	1,397,842	12,408,482	7,769,920		(4,638,562)	10,654,743	
April 2012	774,284	6,876,763	5,373,246		(1,503,518)	9,151,225	
May 2012	516,682	4,589,386	4,535,267		(54,119)	9,097,107	
June 2012	282,219	2,523,593	3,747,225		1,223,632	10,320,738	
July 2012	246,476	2,209,245	3,078,234		868,989	11,189,727	
August 2012	221,402	1,983,738	3,243,467		1,259,729	12,449,456	
September 2012	243,665	2,221,102	3,437,942	(2,000,000)	(783,160)	11,666,297	
October 2012	327,074	2,902,209	4,374,740		1,472,531	13,138,828	16.5%
Total	9,765,921	86,903,837	79,761,680	(2,000,000)	(9,142,157)		

Notes:

- (1) November 1, 2011 through October 31, 2012 Fuel Revenue is based on GCR of \$8.8804 Mcf as approved by Order No. 8040 in Docket No. 11-381F dated September 20, 2011
- (2) Gas Cost Expenses and WACCOGs are based on August 4, 2011 NYMEX closing prices.
- (3) Balance includes \$(2,000,000) for LAUF.

Delmarva Power & Light Company
Development of Annual Commodity and Demand Expenses
For November 2011 Through October 2012
12 Months Actual

Description	2012												Total
	November	December	January	February	March	April	May	June	July	August	September	October	
Total Gas Supply Expense	\$ 13,025,003	\$ 16,015,358	\$ 15,669,937	\$ 13,104,025	\$ 10,239,944	\$ 6,749,665	\$ 6,164,880	\$ 5,263,241	\$ 6,134,213	\$ 6,026,510	\$ 5,043,360	\$ 7,694,716	\$ 111,130,853
Total Gas Commodity Expense	10,549,148	13,570,372	13,170,020	10,767,357	7,904,605	4,398,736	3,771,174	2,927,751	3,800,075	3,635,583	2,829,330	5,415,781	82,739,933
Commodity Credits:													
Flexibly Priced Sales - Fuel Cost	0	0	0	0	0	0	0	0	0	0	0	0	0
Off System Sales - Fuel Cost	(3,044,471)	(3,307,018)	(2,089,733)	(1,768,968)	(1,871,086)	(1,074,994)	(1,305,924)	(1,176,079)	(2,643,898)	(2,405,381)	(1,246,839)	(2,918,332)	(24,852,723)
Cash Out Sales	(16)	(958)	0	(2,001)	(314)	0	(7)	0	(345)	(195)	(3,211)	(7,490)	(14,536)
Company Use Gas	(3,768)	(3,483)	(3,509)	(3,837)	(10,570)	(5,830)	(5,174)	(4,047)	(2,680)	(1,912)	(2,211)	(1,740)	(48,761)
Total Commodity Fuel Credits	(3,048,255)	(3,311,458)	(2,093,241)	(1,774,806)	(1,881,970)	(1,080,824)	(1,311,104)	(1,180,126)	(2,646,924)	(2,407,488)	(1,252,261)	(2,927,562)	(24,916,020)
Total Firm Commodity Cost of Gas	7,500,894	10,258,914	11,076,779	8,992,551	6,022,635	3,317,911	2,460,070	1,747,625	1,153,151	1,228,095	1,577,069	2,488,219	57,823,913
Total Gas Demand Expense	2,475,855	2,444,986	2,499,917	2,336,668	2,335,339	2,350,929	2,393,706	2,335,490	2,334,138	2,390,927	2,214,030	2,278,934	28,390,919
Demand Credits @ 80 %													
Off-System Sales & Swaps	(130,756)	(451,822)	(318,891)	(130,117)	(39,177)	(34,385)	(27,124)	(32,952)	(87,223)	(65,836)	(25,769)	(58,297)	(1,402,349)
Capacity Release	(503,223)	(516,972)	(429,221)	(401,529)	(423,071)	(135,834)	(139,381)	(161,452)	(208,248)	(194,977)	(213,425)	(207,779)	(3,535,112)
FPS Margins	0	0	0	0	0	0	0	0	0	0	0	0	0
Interruptible Gas Transportation	(53,348)	(54,564)	(57,353)	(48,852)	(39,674)	(46,068)	(46,820)	(51,208)	(44,530)	(43,405)	(44,372)	(49,220)	(579,414)
Subtotal	(687,328)	(1,023,357)	(805,465)	(580,498)	(501,922)	(216,288)	(213,325)	(245,611)	(340,002)	(304,218)	(283,566)	(315,296)	(5,516,875)
Demand Credits @ 100%													
IT Surcharges	0	0	0	0	0	0	0	0	0	0	0	0	0
Transition Charges	(33,136)	(12,400)	(17,484)	(40,963)	(46,942)	(47,372)	(80,657)	(57,932)	(44,685)	(43,898)	(41,269)	(39,246)	(505,983)
No-Notice Swing Charges	0	0	0	0	0	0	0	0	0	0	0	0	0
Balancing Charges	(32,990)	(38,366)	(41,983)	(34,935)	(39,189)	(31,594)	(24,528)	(32,347)	(24,368)	(27,439)	(28,322)	(37,872)	(393,934)
Unauthorized Overrun	(100)	(60)	(720)	(35,140)	0	(340)	0	0	0	0	0	0	(36,360)
Subtotal	(66,226)	(50,826)	(60,187)	(111,038)	(86,131)	(79,306)	(105,185)	(90,279)	(69,054)	(71,337)	(69,590)	(77,117)	(936,277)
Total Demand Credits	(753,553)	(1,074,183)	(865,651)	(691,536)	(588,053)	(295,594)	(318,510)	(335,890)	(409,055)	(375,555)	(353,157)	(392,413)	(6,453,152)
Total Firm Demand Expenses	1,722,301	1,370,803	1,634,266	1,645,132	1,747,286	2,055,336	2,075,196	1,999,599	1,925,083	2,015,372	1,860,873	1,886,521	21,937,768
	9,223,195	11,629,717	12,711,044	10,637,683	7,769,921	5,373,247	4,535,266	3,747,225	3,078,234	3,243,467	3,437,942	4,374,740	79,761,681

Delmarva Power & Light Company
Interest Calculation
For November 2012 Through October 2013
9 Months Actual, 3 Months Updated Estimates

Month	Beginning Balance (\$)	Ending Balance (\$)	Average Balance (\$)	Average Balance Within Band (\$)	Interest (1) (2)		Total Interest (\$)
					Excess Balance (\$)	Interest (\$)	
November 2012	13,385,365	15,442,509	14,413,937	14,413,937	0	0	39,038
December 2012	15,442,509	15,729,342	15,585,926	15,585,926	0	0	42,212
January 2013	15,729,342	13,064,788	14,397,065	14,397,065	0	0	38,992
February 2013	13,064,788	8,585,812	10,825,300	10,825,300	0	0	29,319
March 2013	8,585,812	4,380,126	6,482,969	6,482,969	0	0	17,558
April 2013	4,380,126	72,024	2,226,075	2,226,075	0	0	6,029
May 2013	72,024	(21,179)	25,422	25,422	0	0	69
June 2013	(21,179)	958,221	468,522	468,522	0	0	1,269
July 2013	958,221	2,086,150	1,522,186	1,522,186	0	0	4,123
August 2013	2,086,150	3,440,884	2,763,517	2,763,517	0	0	7,485
September 2013	3,440,884	4,783,193	4,112,038	4,112,038	0	0	11,137
October 2013	4,783,193	5,949,307	5,366,250	5,366,250	0	0	14,534
							<u>211,765</u>
							<u>211,765</u>

Total Interest Expense From 11/1/12 to 10/31/13

Notes:

- (1) Average deferred fuel balance interest band is 4 - 1/2% of \$73,869,206 or \$3,324,114
(2) Effective March 1, 1999, the interest rate on both over- and under-recoveries is the FERC Natural Gas Interest Factor, which is as follows:

Nov & Dec, 2012	3.25%	Jan - Mar, 2013	3.25%
Apr - Jun, 2013	3.25%	Jul - Oct, 2013	3.25%

Actual Month	Billing Month	Estimated Commodity Cost Rate	Actual Commodity Cost Rate	Over (Under)	Firm Sales	Monthly Commodity Revenue	Over (Under)
Jun-12	Jul-12	N/A	N/A	-	-	\$0	\$0
Jul-12	Aug-12	N/A	N/A	-	-	\$0	\$0
Aug-12	Sep-12	N/A	N/A	-	-	\$0	\$0
Sep-12	Oct-12	N/A	N/A	-	-	\$0	\$0
Oct-12	Nov-12	N/A	N/A	-	-	\$0	\$0
Nov-12	Dec-12	N/A	N/A	-	-	\$0	\$0
Dec-12	Jan-13	N/A	N/A	-	-	\$0	\$0
Jan-13	Feb-13	N/A	N/A	-	-	\$0	\$0
Feb-13	Mar-13	N/A	N/A	-	-	\$0	\$0
Mar-13	Apr-13	N/A	N/A	-	-	\$0	\$0
Apr-13	May-13	N/A	N/A	-	-	\$0	\$0
May-13	Jun-13	N/A	N/A	-	-	\$0	\$0
Adjustment for Prior Period							\$0
Total						0	\$0
Variance							N/A

Delmarva Power & Light Company
Firm Sales

Description	Twelve Months Estimated November 2013 Through October 2014 (Mcf)	9 Months Actual 3 Months Estimated November 2012 Through October 2013 (Mcf)	Twelve Months Actual November 2011 Through October 2012 (Mcf)
November	874,532	915,802	784,454
December	1,622,332	1,442,824	1,208,108
January	2,249,825	1,933,223	1,997,486
February	2,355,493	2,139,487	1,766,229
March	1,988,749	2,018,409	1,397,842
April	1,252,601	1,353,361	774,284
May	624,993	543,133	516,682
June	331,274	320,031	282,219
July	242,832	260,106	246,476
August	213,069	188,135	221,402
September	244,951	204,537	243,665
October	364,976	352,799	327,074
Total	<u>12,365,627</u>	<u>11,671,846</u>	<u>9,765,921</u>

Delmarva Power & Light Company

Gas Costs

<u>Description</u>	Twelve Months Estimated November 2013 Through October 2014 \$	9 Months Actual 3 Months Estimated November 2012 Through October 2013 \$	Twelve Months Actual November 2011 Through October 2012 \$
Total Gas Supply Expenses	75,510,878	99,037,206	111,130,853
<u>Expense Credits</u>			
FPS Gas - Fuel Costs	0	0	0
Off System Sales - Fuel Cost (1)	0	(20,103,538)	(24,852,723)
Cash Outs	0	(5,873)	(14,536)
Company Use Gas	(33,112)	(42,157)	(48,761)
Off System Sales / Swaps	(2,149,075)	(2,328,532)	(1,402,349)
Capacity Release	(1,213,942)	(1,419,818)	(3,535,112)
FPS Margins	0	0	0
Interruptible Gas Transportation	(703,956)	(597,538)	(579,414)
Transition Charges	(132,473)	(253,451)	(505,983)
Balancing Charges	(402,157)	(409,063)	(393,934)
No Notice Swing Charges	0	0	0
Unauthorized Overrun	0	(8,030)	(36,360)
Total	<u>70,876,163</u>	<u>73,869,207</u>	<u>79,761,681</u>

Notes:

- (1) The fuel costs associated with Off-System sales are not included in Estimated Total Gas Supply Expenses, and do not require removal.

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
August 2012 Through July 2013
12 Months Actual

<u>Billing Month</u>	<u>Firm Sales</u> Mcf	<u>Total</u> <u>Gas Cost</u> <u>Recovery</u> (\$)	<u>Total</u> <u>Gas Cost</u> (\$)	<u>(Over) or</u> <u>Under</u> <u>Recovery</u> <u>Monthly</u> (\$)	<u>Deferred</u> <u>Fuel</u> <u>Balance</u> <u>YTD</u> (\$)
Deferred Fuel Balance @ July 31, 2012					11,189,727
August 2012	221,402	1,983,738	3,243,467	1,259,729	12,449,456
September 2012	243,665	2,221,102	3,437,942	1,216,840	11,666,296
October 2012	327,074	2,902,208	4,374,740	1,472,532	13,138,828
Interest Expense (November 2011 - October 2012)					246,537
Adjusted Balance					13,385,365
November 2012	915,802	7,104,520	9,161,665	2,057,145	15,442,509
December 2012	1,442,824	9,926,396	10,213,228	286,832	15,729,342
January 2013	1,933,223	13,311,224	10,646,666	(2,664,558)	13,064,788
February 2013	2,139,487	14,727,835	10,248,860	(4,478,975)	8,585,814
March 2013	2,018,409	13,893,586	9,687,904	(4,205,682)	4,380,130
April 2013	1,353,361	9,328,764	5,020,658	(4,308,107)	72,024
May 2013	543,133	3,761,537	3,668,336	(93,201)	(21,177)
June 2013	320,031	2,269,886	3,249,284	979,398	958,221
July 2013	260,106	1,767,489	2,895,417	1,127,928	2,086,149
Total	<u>11,718,517</u>	<u>83,198,285</u>	<u>75,848,169</u>	<u>(7,350,117)</u>	

- Notes:
- 1) Gas Cost Recovery Revenue for August 2012 through October 2012 is based on the GCR of \$8.8804 as approved by Order No. 8040 in Docket No. 11-381F dated September 20, 2011.
 - 2) Gas Cost Recovery Revenue for November 2012 through July 2013 is based on the GCR of \$6.8967 as approved by Order No. 8397 in Docket No. 12-419 dated June 18, 2013.

Delmarva Power & Light Company
Development of Annual Commodity and Demand Expenses
August 2012 Through July 2013
12 Months Actual

Description	2012												2013			Total
	August	September	October	November	December	January	February	March	April	May	June	July				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			
Total Gas Supply Expense	6,026,510	5,043,360	7,694,716	12,227,183	13,252,764	15,345,323	13,407,845	13,669,289	7,024,901	4,809,404	4,479,747	4,548,469	107,529,510			
Total Gas Commodity Expense	3,635,583	2,829,330	5,415,781	10,012,793	10,848,953	12,937,333	11,151,306	11,582,070	4,622,610	2,359,300	2,084,425	2,097,868	79,577,352			
Fuel Credits:																
Off System Sales - Fuel Cost	(2,405,381)	(1,246,839)	(2,918,332)	(2,750,062)	(2,699,349)	(3,658,824)	(2,576,557)	(3,617,558)	(1,800,208)	(873,113)	(988,604)	(1,139,262)	(26,674,090)			
Cash Outs	(195)	(3,211)	(7,490)	(2,801)	(58)	0	0	0	(668)	(595)	(1,706)	(44)	(16,769)			
Company Use Gas	(1,912)	(2,211)	(1,740)	(2,771)	(3,342)	(3,722)	(5,265)	(5,278)	(4,577)	(5,226)	(3,231)	(2,999)	(42,275)			
Total Fuel Credits	(2,407,488)	(1,252,261)	(2,927,562)	(2,755,634)	(2,702,749)	(3,662,546)	(2,581,822)	(3,622,836)	(1,805,453)	(878,934)	(993,542)	(1,142,305)	(26,733,133)			
Total Gas Commodity Expense	1,228,095	1,577,069	2,488,219	7,257,158	8,146,204	9,274,786	8,569,484	7,959,234	2,817,157	1,480,366	1,090,883	955,563	52,844,219			
Total Gas Demand Expense	2,390,927	2,214,030	2,278,934	2,214,391	2,403,810	2,407,990	2,256,540	2,087,219	2,402,290	2,450,104	2,395,322	2,450,600	27,952,158			
Demand Credits @ 80%																
Off-System Sales & Swaps	(65,836)	(25,769)	(58,297)	(129,066)	(195,833)	(762,137)	(395,585)	(143,759)	(52,265)	(39,169)	(57,775)	(223,782)	(2,149,291)			
Capacity Release	(194,977)	(213,425)	(207,779)	(50,606)	(15,018)	(148,827)	(92,677)	(131,286)	(53,624)	(150,902)	(110,220)	(229,658)	(1,598,999)			
FPS Margins	0	0	0	0	0	0	0	0	0	0	0	0	0			
Interruptible Gas Transportation	(43,405)	(44,372)	(49,220)	(51,215)	(50,817)	(46,595)	(39,713)	(45,735)	(49,010)	(44,768)	(39,294)	(32,137)	(536,281)			
Subtotal	(304,218)	(283,566)	(315,296)	(230,907)	(261,668)	(957,560)	(527,975)	(320,780)	(154,899)	(234,838)	(207,288)	(485,577)	(4,284,572)			
Demand Credits @ 100 %																
IT Surcharges	0	0	0	0	0	0	0	0	0	0	0	0	0			
Transition Charges	(43,898)	(41,269)	(39,246)	(39,246)	(39,246)	(34,162)	(8,758)	(2,260)	(1,830)	(1,298)	(1,093)	(1,145)	(253,450)			
No Notice Swing Charges	0	0	0	0	0	0	0	0	0	0	0	0	0			
Balancing Charges	(27,439)	(28,322)	(37,872)	(39,731)	(35,872)	(36,418)	(40,430)	(35,508)	(42,061)	(25,938)	(28,540)	(24,025)	(402,157)			
Unauthorized Overrun	0	0	0	0	0	(7,970)	0	0	0	(60)	0	0	(8,030)			
Total Demand Credits	(375,555)	(353,157)	(392,413)	(309,884)	(336,786)	(1,036,110)	(577,163)	(358,549)	(198,790)	(262,134)	(236,921)	(510,747)	(4,948,208)			
Total Firm Demand Expenses	2,015,372	1,860,873	1,886,521	1,904,507	2,067,025	1,371,880	1,679,376	1,728,671	2,203,500	2,187,970	2,158,401	1,939,854	23,003,949			
Total Firm Gas Expenses	3,243,467	3,437,942	4,374,740	9,161,665	10,213,228	10,646,666	10,248,860	9,687,904	5,020,658	3,668,336	3,249,284	2,895,417	75,848,172			

Delmarva Power & Light Company
Derivation of Transportation Balancing Charge
Proposed to be Effective November 1, 2013

Services Required For Swing & System Reliability

	<u>Annual Cost</u>
1 TRANSCO GSS	\$ 1,654,838
2 COLUMBIA FSS	\$ 364,044
3 COLUMBIA SST	\$ 505,722
4 EASTERN SHORE FT	\$ 3,906,660
5 EASTERN SHORE T-1	\$ 66,432
6 Estimated Upstream Costs of Balancing	<u>\$ 6,497,696</u>

Projected System Throughput (mcf)

7 Projected Firm Sales	12,365,627	63.5%
8 Projected FT	6,368,506	32.7%
9 Projected IT	<u>739,196</u>	<u>3.8%</u>
10 Total Sales and Transportation Deliveries	19,473,329	100.00%
11 Proposed Balancing Fee [line 6/line10]	0.3337 per mcf	